



**City of Rochester Hills
AGENDA SUMMARY
NON -FINANCIAL ITEMS**

**1000 Rochester Hills Dr.
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Legislative File No: 2008-0363

TO: Mayor and City Council Members
FROM: Julie Jenuwine, Finance Director, ext 2535
DATE: July 5, 2008
SUBJECT: Water & Sewer Rate Technical Review Committee –Add Task of Negotiating the New Water Contract with DWSD

REQUEST:

Request that City Council charge the Water & Sewer Rate Technical Review Committee with the task of negotiating the new water contract between the Detroit Water and Sewage Department (DWSD) and the City.

BACKGROUND

The Detroit Water and Sewage Department's (DWSD) is currently attempting to negotiate the water contracts with the numerous wholesale customers/communities. A few factors that are now contracted to determine the City's water rate are total demand, peak usage and pressure. These components are now negotiated with each individual community based on actual factors experienced in the past as well as projected for the future.

Rochester Hills Water & Sewer Rate Technical Review Committee would like the City Council to charge the Committee with the task of developing the total demand, peak usage and pressure as well as any other items that are not already established in the "model" contract. The Committee would like to utilize a number of its current members to work on this project. After the negotiations, a proposed contract will be forwarded to the City Council for their final approval.

Once negotiations begin, a projection as to the saving of the proposed watering regulation ordinance can be more accurately estimated. A comparable neighboring community that has negotiated a new contract with DWSD has estimated to save approximately one half of one million dollars annually, with a watering regulation program.

RECOMMENDATION:

Recommend that City Council charge the Water & Sewer Rate Technical Review Committee with the task of negotiating the new water contract between the Detroit Water and Sewage Department (DWSD) and the City.

RESOLUTION

NEXT AGENDA ITEM

RETURN TO AGENDA

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Mayor		
City Council Liaison		

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